

Message Text

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PAGE 01 BONN 02495 01 OF 02 142235Z

71

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 RSC-01 SIL-01 INT-08 DOTE-00 ACDA-19

A-01 SY-10 OPR-02 FBO-01 OC-06 CCO-00 DODE-00 PM-07

H-03 L-03 NSC-10 PA-04 PRS-01 SPC-03 SS-20 USIA-15

SAM-01 NIC-01 DRC-01 /185 W
----- 031261

R 141700Z FEB 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0451

INFO AMCONSUL BREMEN

AMCONSUL HAMBURG

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL STUTTGART

AMCONSUL MUNICH

USMISSION BERLIN

USMISSION GENEVA

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY BELGRADE

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

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PAGE 02 BONN 02495 01 OF 02 142235Z

AMEMBASSY VIENNA

AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 02495

E.O. 11652: N/A
TAGS: ELAB, GW

SUBJECT: PUBLIC SERVICE STRIKE ENDS

REF: BONN 01637, 02272, 02351

1. SUMMARY. ABOUT TWO MILLION WORKERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT, STATES AND MUNICIPALITIES AS WELL AS OF THE GERMAN FEDERAL RAILWAYS AND THE GERMAN POSTAL ADMINISTRATION WILL RECEIVE PAY INCREASES OF 11 PERCENT OR A MINIMUM OF 170 DM PER MONTH, RETROACTIVE TO JANUARY 1. FOLLOWING THE APPROVAL BY SPECIAL MEETINGS CALLED BY CHANCELLOR BRANDT WITH THE FEDERAL CABINET AND STATE MINISTER PRESIDENTS, SPOKESMEN OF BOTH SIDES ANNOUNCED THE AGREEMENT. THE PUBLIC SERVICES, POSTAL AND RAILROAD WORKERS UNIONS ALSO ANNOUNCED THE END OF THE THREE-DAY STRIKE. THE AGREEMENT WILL BE SUBMITTED TO UNION MEMBERS NEXT WEEK FOR RATIFICATION. END SUMMARY

2. THE GOVERNMENT COMMENTED THAT CONSENT FOR THE AGREEMENT WAS GIVEN "ONLY WITH THE MOST SERIOUS MISGIVINGS" WHILE PUBLIC SERVICES UNION PRESIDENT KLUNCKER SAID "WE HAVE REACHED A FAIR COMPROMISE. THERE WERE NO WINNERS OR LOSERS."

3. THE GOVERNMENT INDICATED THAT THIS SETTLEMENT WILL BE EXTENDED TO CAREER CIVIL SERVANTS (BEAMTE) BY LEGISLATIVE ACTION BUT THAT A CEILING FOR SALARY INCREASES MAY BE INTRODUCED. THE ISSUE OF VACATION ALLOWANCES WAS LEFT UNRESOLVED AND MAY BE REOPENED LATER THIS YEAR ESPECIALLY IF COST OF LIVING CONTINUES TO INCREASE.

4. COMMENT. THIS STRIKE AND WAGE AGREEMENT IN THE PUBLIC LIMITED OFFICIAL USE

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PAGE 03 BONN 02495 01 OF 02 142235Z

LIC SECTOR HAS SET THE PATTERN FOR THE 1974 ROUND OF COLLECTIVE BARGAINING AND LIKELY FOR A HIGHER INFLATION RATE THAN PROJECTED BY THE GOVERNMENT. USUALLY THE WAGE INCREASE PATTERN IS SET BY METAL INDUSTRY BARGAINING IN THE PRIVATE SECTOR, BUT THIS YEAR NEGOTIATIONS WERE DELAYED DURING THE OIL CRISIS AND WILL FOLLOW LATER IN MARCH. SINCE THE GOVERNMENT AGREEMENT NOW HAS SET THE PATTERN, THE GOVERNMENT'S ABILITY TO INFLUENCE 1974

WAGE DEVELOPMENTS IN THE PRIVATE SECTOR HAS BEEN

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PAGE 01 BONN 02495 02 OF 02 142239Z

71

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TO SECSTATE WASHDC 0452

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PAGE 02 BONN 02495 02 OF 02 142239Z

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AMEMBASSY WARSAW

LIMITED OFFICIAL USE SECTION 02 OF 02 BONN 02495

REDUCED. EMPLOYERS IN KEY INDUSTRIES CLAIM THEY FACE ONE OF THEIR MOST DIFFICULT YEARS WITH SIGNIFICANT LABOR COST INCREASES AND EXPECT MORE STRIKES THAN USUAL. ON THE OTHER HAND, THE KEY METAL WORKERS UNION ANTICIPATES ITS BARGAINING POSITION WILL BE IMPROVED BASED ON MORE OPTIMISTIC FORECASTS FOR THE ECONOMY WHICH THEY EXPECT IN MARCH. BOTH EMPLOYERS AND TRADE UNIONS IN THE TEXTILE, CLOTHING, LEATHER, SHOE AND CONSTRUCTION INDUSTRIES ARE PESSIMISTIC ABOUT THE ECONOMIC IMPACT OF THIS YEAR'S ROUND OF WAGE INCREASES ON THESE INDUSTRIES.

ALTHOUGH THIS STRIKE ESCALATED GRADUALLY INTO THE FRG'S LARGEST POST-WAR PUBLIC SERVICES WORK STOPPAGE, IT INVOLVED ONLY ABOUT 10 PERCENT OF GOVERNMENT EMPLOYEES AND WAS TARGETED ON SPECIFIC AREAS AND SECTORS. CONSULATE AND OTHER REPORTS INDICATED THE SELECTIVE STRIKE ACTIONS WERE EFFECTIVE AND WITHOUT SERIOUS INCIDENT AND CHARACTERIZED THESE PUBLIC SERVICE STRIKES AS UNPLEASANT BUT ACCEPTED BY THE PUBLIC WITH A DEGREE OF EQUANIMITY.

THIS DISPUTE ALSO REFLECTED A MORE MILITANT STANCE AND HIGHER WAGE DEMANDS OF THE UNION LEADERSHIP WHO WISHED TO AVOID A REPETITION OF LAST FALL'S WAVE OF WILD-CAT STRIKES WHEN YOUNG UNION MILITANTS AND LEFTIST FACTIONS CHALLENGED UNION NEGOTIATED AGREEMENTS AND LED WILD-CAT STRIKE ACTIONS. END COMMENT
HILLENBRAND

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